

Exhibit B

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CORRECTED - UPDATE 1-Guinea sets deadline for Rio's ore blocks

Mon, Oct 4 2010

- * Thiam says Rio risks losing all Simandou rights
- * Mining accords unlikely to be overturned by new regime
- * Says Petronas, Petroci interested in oil exploration (Corrects spelling of name and timing of deal in paragraph 8)

By Saliou Samb

CONAKRY, Oct 2 (Reuters) Rio Tinto has until February to formally give up its rights to part of Guinea's giant Simandou iron ore concession or it will risk losing its remaining stakes, the West African state's top mining official said.

The Anglo-Australian miner (RIO.AX: [Quote](#), [Profile](#), [Research](#)) (RIO.L: [Quote](#), [Profile](#), [Research](#)), which has invested \$680 million in what it says is the world's largest undeveloped iron ore deposit, has been in dispute with Guinea over blocks 1 and 2, which the government gave to BSG Resources.

"We have asked in vain for Rio Tinto to give us written confirmation (that) they have given up half of Simandou in accordance with the mining code," Mines Minister Mahmoud Thiam told Reuters in an interview late on Friday.

"If this isn't done by February 2011, Rio risks losing the other two blocks under its control and could definitively lose its rights to the zone," he said.

A Rio spokesman declined to comment specifically on the two blocks but said, "We continue to engage with the Guinean government on a range of matters and are committed to developing the project and realising the benefits for the people of Guinea." Rio in June said it retained "full rights" to the entire Simandou concession. It signed a \$1.35 billion deal with Aluminum Corp of China, known as Chinalco, in July for development of the Simandou deposit.

Guinea stripped Rio of the two blocks during the rule of former President Lansana Conte, who died in December 2008 and was replaced in a bloodless coup by a military junta.

BSG, which is controlled by Israeli billionaire diamond trader Beny Steinmetz, won the two blocks in 2008 and signed a deal in April with Brazilian mining giant Vale (VALE5.SA: [Quote](#), [Profile](#), [Research](#)) (VALE.N: [Quote](#), [Profile](#), [Research](#)) to develop them.

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Guinea is in the midst of elections, which are meant to return the former French colony to civilian rule, and the country's two presidential front-runners have both said they will review mining deals signed during the transition.

Analysts have said, however, they do not expect either candidate to take an aggressive approach, given Guinea's reliance on mining for revenues and infrastructure projects.

"It will be very difficult for a future government to unilaterally cancel the mining deals that we have passed during the transition period," Thiam said.

He said all of the deals were in accordance with the country's mining laws, guaranteed swift development of resources and provided key infrastructure.

Guinea has yet to set a date for a run-off election between former Prime Minister Cellou Dallein Diallo and veteran opposition leader Alpha Conde amid political infighting over poll preparations.

Thiam also said a deal signed with U.S. oil company Hyperdynamics (HDY.A: [Quote](#), [Profile](#), [Research](#)) in March giving the company rights to develop 24,000 square kilometers offshore was unlikely to be overturned by the next government regardless of who wins, because it had preserved 70 percent of the exploration zone for Guinea instead of 66 percent before the accord.

He said international oil companies, including Malaysia's Petronas (PETR.KL: [Quote](#), [Profile](#), [Research](#)), and Ivory Coast's Petroci had expressed interest in exploring for oil off the coast of Guinea in the remaining area.

He added that UK-listed miner Bellzone's (BZM.L: [Quote](#), [Profile](#), [Research](#)) iron ore mine and railway spur project connecting the Kalia mine site and the deepwater port of Matakan would probably cost \$5 billion. Bellzone has said the China Investment Fund will help fund the project.

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